

(DIA), a Program/Budget Analyst at the Pentagon, and now, as a Senior Congressional Analyst with the Office of the Under Secretary of Defense for Intelligence.

Her outstanding performance throughout her career has not gone unrecognized. She has received many awards, including the award for Sustained Superior Performance and the Quality Step Increase.

Although Rose has spent most of her career away from Guam, she has never forgotten her roots, promoting and preserving the Chamorro culture through her active involvement as an Executive Board Member with the Guam Society of America, Inc. here in the greater Washington, D.C., Metropolitan Area. In addition, she has served as an Alternate Delegate for Guam to the National Conference of State Societies.

I want to thank Rose for her many years of dedicated service in the day-to-day operations of our Federal Government. Your contributions are appreciated by your colleagues and fellow citizens. Dangkulo Na Si Yu'os Ma'ase.

#### A TRIBUTE TO THE SOUTH COAST CHINESE CULTURAL CENTER

### HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 29, 2005

Mr. COX. Mr. Speaker, I rise to recognize and congratulate the South Coast Chinese Cultural Center on the occasion of its grand opening celebration on Sunday, April 24, 2005 in Irvine, California. This important and vibrant cultural center will serve as a gathering place for thousands of Californians. This is a center that will serve as a place of community bonding and fellowship; a place to build new relationships and to foster old ones; a place to learn about Chinese history and to teach younger generations about Chinese culture and language; and, of course, a place to relax and to play mah-jong with the best of them.

The South Coast Chinese Cultural Association, founded in 1977, is the heart and soul behind this new center. For 28 years the SCCCA has served and supported Orange County's Chinese community. The mission of the association is the same today as it was in 1977: to promote an, understanding of Chinese culture, to preserve Chinese heritage, and to support the rights of all Chinese Americans. This outstanding organization currently serves more than 1,000 member families in the greater Orange County area. The South Coast Chinese Cultural Center was born out of the idea that the association could better serve its members from a central campus.

Tradition is a large and vital part of Chinese culture and way of life. Ancient traditions continue with new life here in America in places such as the South Coast Chinese Cultural Center. Younger generations will have the opportunity to learn from their elders about the timeless art of Chinese Brush Painting, Chinese Calligraphy, Chinese Swordsmanship, and Chinese Martial Arts. The Irvine Chinese School, now in its 28th year, will continue to serve the community at this new center by giving new meaning to Chinese language and lessons for future generations of Chinese Americans. The heritage of the Old World will not be lost so long as there are places like the

South Coast Chinese Cultural Center in which to congregate.

This grand opening celebration of the South Coast Chinese Cultural Center was a momentous occasion for not only the Chinese community, but also for people of all backgrounds throughout Orange County and all of Southern California. This center aims to unite the unique and diverse ethnic framework that makes ours such a thriving and vibrant community.

I am particularly proud that the South Coast Chinese Cultural Center—the largest center of its kind on the West Coast—has chosen to call Irvine its home. The leadership exemplified by the Chinese community in Orange County in building this wonderful center has shown us that, with a great vision and dedication, we can ensure that the global traditions and cultures that have been brought to America's melting pot will live on for generations to come.

Mr. Speaker, I ask my colleagues to join me today in congratulating the South Coast Chinese Cultural Center on the occasion of its recent grand opening.

#### CHINA: A GROWING THREAT

### HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 29, 2005

Mr. WOLF. Mr. Speaker, I would like to bring to the attention of our colleagues a two-part series that ran in the Washington Times this week, which gives an eye-opening account of the growing military and intelligence threat posed by China. As this series makes clear, we are naive to view China as simply a trading partner, when in fact they are a global superpower with military ambitions directly at odds with the United States.

[From the Washington Times, June 26, 2005]

#### CHINESE DRAGON AWAKENS

(By Bill Gertz)

China is building its military forces faster than U.S. intelligence and military analysts expected, prompting fears that Beijing will attack Taiwan in the next 2 years, according to Pentagon officials.

U.S. defense and intelligence officials say all the signs point in one troubling direction: Beijing then will be forced to go to war with the United States, which has vowed to defend Taiwan against a Chinese attack.

China's military buildup includes an array of new high-technology weapons, such as warships, submarines, missiles and a maneuverable warhead designed to defeat U.S. missile defenses. Recent intelligence reports also show that China has stepped up military exercises involving amphibious assaults, viewed as another sign that it is preparing for an attack on Taiwan.

"There's a growing consensus that at some point in the mid-to-late '90s, there was a fundamental shift in the sophistication, breadth and re-sorting of Chinese defense planning," said Richard Lawless, a senior China-policy maker in the Pentagon. "And what we're seeing now is a manifestation of that change in the number of new systems that are being deployed, the sophistication of those systems and the interoperability of the systems."

China's economy has been growing at a rate of at least 10 percent for each of the past 10 years, providing the country's military with the needed funds for modernization.

The combination of a vibrant centralized economy, growing military and increasingly fervent nationalism has transformed China into what many defense officials view as a fascist state.

"We may be seeing in China the first true fascist society on the model of Nazi Germany, where you have this incredible resource base in a commercial economy with strong nationalism, which the military was able to reach into and ramp up incredible production," a senior defense official said.

For Pentagon officials, alarm bells have been going off for the past two years as China's military began rapidly building and buying new troop- and weapon-carrying ships and submarines.

The release of an official Chinese government report in December called the situation on the Taiwan Strait "grim" and said the country's military could "crush" Taiwan.

Earlier this year, Beijing passed an anti-secession law, a unilateral measure that upset the fragile political status quo across the Taiwan Strait. The law gives Chinese leaders a legal basis they previously did not have to conduct a military attack on Taiwan, U.S. officials said.

The war fears come despite the fact that China is hosting the Olympic Games in 2008 and, therefore, some officials say, would be reluctant to invoke the international condemnation that a military attack on Taiwan would cause.

#### ARMY OF THE FUTURE

In the past, some defense specialists insisted a Chinese attack on Taiwan would be a "million-man swim" across the Taiwan Strait because of the country's lack of troop-carrying ships.

"We left the million-man swim behind in about 1998, 1999," the senior Pentagon official said. "And in fact, what people are saying now, whether or not that construct was ever useful, is that it's a moot point, because in just amphibious lift alone, the Chinese are doubling or even quadrupling their capability on an annual basis."

Asked about a possible Chinese attack on Taiwan, the official put it bluntly: "In the '07-'08 time frame, a capability will be there that a year ago we would have said was very, very unlikely. We now assess that as being very likely to be there."

Air Force Gen. Paul V. Hester, head of the Pacific Air Forces, said the U.S. military has been watching China's military buildup but has found it difficult to penetrate Beijing's "veil" of secrecy over it.

While military modernization itself is not a major worry, "what does provide you a pause for interest and concern is the amount of modernization, the kind of modernization and the size of the modernization," he said during a recent breakfast meeting with reporters.

China is building capabilities such as aerial refueling and airborne warning and control aircraft that can be used for regional defense and long-range power projection, Gen. Hester said.

It also is developing a maneuverable reentry vehicle, or MARV, for its nuclear warheads. The weapon is designed to counter U.S. strategic-missile defenses, according to officials who spoke on the condition of anonymity. The warhead would be used on China's new DF-31 long-range missiles and its new submarine missile, the JL-2.

Work being done on China's weapons and reconnaissance systems will give its military the capability to reach 1,000 miles into the sea, "which gives them the visibility on the movement of not only our airplanes in the air, but also our forces at sea," Gen. Hester said.

Beijing also has built a new tank for its large armed forces. It is known as the Type 99 and appears similar in design to Germany's Leopard 2 main battle tank. The tank is outfitted with new artillery, anti-aircraft and machine guns, advanced fire-control systems and improved engines.

The country's air power is growing through the purchase of new fighters from Russia, such as Su-30 fighter-bombers, as well as the development of its own fighter jets, such as the J-10.

Gen. Hester compared Chinese warplanes with those of the former Soviet Union, which were less capable than their U.S. counterparts, but still very deadly.

"They have great equipment. The fighters are very technologically advanced, and what we know about them gives us pause for concern against ours," he said.

Missiles also are a worry.

"It is their surface-to-air missiles, their [advanced] SAMs and their surface-to-surface missiles, and the precision, more importantly, of those surface-to-surface missiles that provide, obviously, the ability to pinpoint targets that we might have out in the region, or our friends and allies might have," Gen. Hester said.

The advances give the Chinese military "the ability . . . to reach out and touch parts of the United States—Guam, Hawaii and the mainland of the United States," he said.

To better deal with possible future conflicts in Asia, the Pentagon is modernizing U.S. military facilities on the Western Pacific island of Guam and planning to move more forces there.

The Air Force will regularly rotate Air Expeditionary Force units to Guam and also will station the new long-range unmanned aerial vehicle known as Global Hawk on the island, he said.

It also has stationed B-2 stealth bombers on Guam temporarily and is expected to deploy B-1 bombers there, in addition to the B-52s now deployed there, Gen. Hester said.

#### PROJECTING POWER

China's rulers have adopted what is known as the "two-island chain" strategy of extending control over large areas of the Pacific, covering inner and outer chains of islands stretching from Japan to Indonesia.

"Clearly, they are still influenced by this first and second island chain," the intelligence official said.

The official said China's buildup goes beyond what would be needed to fight a war against Taiwan.

The conclusion of this official is that China wants a "blue-water" navy capable of projecting power far beyond the two island chains.

"If you look at the technical capabilities of the weapons platforms that they're fielding, the sea-keeping capabilities, the size, sensors and weapons fit, this capability transcends the baseline that is required to deal with a Taiwan situation militarily," the intelligence official said.

"So they are positioned then, if [Taiwan] is resolved one way or the other, to really become a regional military power as well."

The dispatch of a Han-class submarine late last year to waters near Guam, Taiwan and Japan was an indication of the Chinese military's drive to expand its oceangoing capabilities, the officials said. The submarine surfaced in Japanese waters, triggering an emergency deployment of Japan's naval forces.

Beijing later issued an apology for the incursion, but the political damage was done. Within months, Japan began adopting a tougher political posture toward China in its defense policies and public statements. A re-

cent Japanese government defense report called China a strategic national security concern. It was the first time China was named specifically in a Japanese defense report.

#### ENERGY SUPPLY A FACTOR

For China, Taiwan is not the only issue behind the buildup of military forces. Beijing also is facing a major energy shortage that, according to one Pentagon study, could lead it to use military force to seize territory with oil and gas resources.

The report produced for the Office of Net Assessment, which conducts assessments of future threats, was made public in January and warned that China's need for oil, gas and other energy resources is driving the country toward becoming an expansionist power.

China "is looking not only to build a blue-water navy to control the sea lanes [from the Middle East], but also to develop undersea mines and missile capabilities to deter the potential disruption of its energy supplies from potential threats, including the U.S. Navy, especially in the case of a conflict with Taiwan," the report said.

The report said China believes the United States already controls the sea routes from the oil-rich Persian Gulf through the Malacca Strait. Chinese President Hu Jintao has called this strategic vulnerability to disrupted energy supplies Beijing's "Malacca Dilemma."

To prevent any disruption, China has adopted a "string of pearls" strategy that calls for both offensive and defensive measures stretching along the oil-shipment sea lanes from China's coast to the Middle East.

The "pearls" include the Chinese-financed seaport being built at Gwadar, on the coast of western Pakistan, and commercial and military efforts to establish bases or diplomatic ties in Bangladesh, Burma, Cambodia, Thailand and disputed islands in the South China Sea.

The report stated that China's ability to use these pearls for a "credible" military action is not certain.

Pentagon intelligence officials, however, say the rapid Chinese naval buildup includes the capability to project power to these sea lanes in the future.

"They are not doing a lot of surface patrols or any other kind of security evolutions that far afield," the intelligence official said. "There's no evidence of [Chinese military basing there] yet, but we do need to keep an eye toward that expansion."

The report also highlighted the vulnerability of China's oil and gas infrastructure to a crippling U.S. attack.

"The U.S. military could severely cripple Chinese resistance [during a conflict over Taiwan] by blocking its energy supply, whereas the [People's Liberation Army navy] poses little threat to United States' energy security," it said.

China views the United States as "a potential threat because of its military superiority, its willingness to disrupt China's energy imports, its perceived encirclement of China and its disposition toward manipulating international politics," the report said.

#### 'MERCANTILIST MEASURES'

The report stated that China will resort "to extreme, offensive and mercantilist measures when other strategies fail, to mitigate its vulnerabilities, such as seizing control of energy resources in neighboring states."

U.S. officials have said two likely targets for China are the Russian Far East, which has vast oil and gas deposits, and Southeast Asia, which also has oil and gas resources.

Michael Pillsbury, a former Pentagon official and specialist on China's military, said

the internal U.S. government debate on the issue and excessive Chinese secrecy about its military buildup "has cost us 10 years to figure out what to do."

"Everybody is starting to acknowledge the hard facts," Mr. Pillsbury said. "The China military buildup has been accelerating since 1999. As the buildup has gotten worse, China is trying hard to mask it."

Richard Fisher, vice president of the International Assessment and Strategy Center, said that in 10 years, the Chinese army has shifted from a defensive force to an advanced military soon capable of operations ranging from space warfare to global non-nuclear cruise-missile strikes.

"Let's all wake up. The post-Cold War peace is over," Mr. Fisher said. "We are now in an arms race with a new superpower whose goal is to contain and overtake the United States."

[From the Washington Times, June 27, 2005]

#### THEFTS OF U.S. TECHNOLOGY BOOST CHINA'S WEAPONRY

(By Bill Gertz)

China is stepping up its overt and covert efforts to gather intelligence and technology in the United States, and the activities have boosted Beijing's plans to rapidly produce advanced-weapons systems.

"I think you see it where something that would normally take 10 years to develop takes them two or three," said David Szady, chief of FBI counterintelligence operations.

He said the Chinese are prolific collectors of secrets and military-related information. "What we're finding is that [the spying is] much more focused in certain areas than we ever thought, such as command and control and things of that sort," Mr. Szady said.

"In the military area, the rapid development of their 'blue-water' navy—like the Aegis weapons systems—in no small part is probably due to some of the research and development they were able to get from the United States," he said.

The danger of Chinese technology acquisition is that if the United States were called on to fight a war with China over the Republic of China (Taiwan), U.S. forces could find themselves battling a U.S.-equipped enemy.

"I would hate for my grandson to be killed with U.S. technology" in a war over Taiwan, senior FBI counterintelligence official Tim Berezney told a conference earlier this year.

The Chinese intelligence services use a variety of methods to spy, including traditional intelligence operations targeting U.S. government agencies and defense contractors.

Additionally, the Chinese use hundreds of thousands of Chinese visitors, students and other nonprofessional spies to gather valuable data, most of it considered "open source," or unclassified information.

"What keeps us up late at night is the asymmetrical, unofficial presence," Mr. Szady said.

"The official presence, too. I don't want to minimize that at all in what they are doing." China's spies use as many as 3,200 front companies—many run by groups linked to the Chinese military—that are set up to covertly obtain information, equipment and technology, U.S. officials say.

Recent examples include front businesses in Milwaukee; Trenton, N.J.; and Palo Alto, Calif., Mr. Szady said.

In other cases, China has dispatched students, short-term visitors, businesspeople and scientific delegations with the objective of stealing technology and other secrets.

The Chinese "are very good at being where the information is," Mr. Szady said. "If you build a submarine, no one is going to steal a submarine. But what they are looking for

are the systems or materials or the designs or the batteries or the air conditioning or the things that make that thing tick," he said. "That's what they are very good at collecting going after both the private sector, the industrial complexes, as well as the colleges and universities in collecting scientific developments that they need."

"One recent case involved two Chinese students at the University of Pennsylvania who were found to be gathering nuclear submarine secrets and passing them to their father in China, a senior military officer involved in that country's submarine program.

BIT BY BIT

To counter such incidents, the FBI has been beefing up its counterintelligence operations in the past 3 years and has special sections in all 56 field offices across the country for counterspying.

But the problem of Chinese spying is daunting.

"It's pervasive," Mr. Szady said. "It's a massive presence, 150,000 students, 300,000 delegations in the New York area. That's not counting the rest of the United States, probably 700,000 visitors a year. They're very good at exchanges and business deals, and they're persistent."

Chinese intelligence and business spies will go after a certain technology, and they eventually get what they want, even after being thwarted, he said.

Paul D. Moore, a former FBI intelligence specialist on China, said the Chinese use a variety of methods to get small pieces of information through numerous collectors, mostly from open, public sources.

The three main Chinese government units that run intelligence operations are the Ministry of State Security, the military intelligence department of the People's Liberation Army and a small group known as the Liaison Office of the General Political Department of the Chinese army, said Mr. Moore, now with the private Centre for Counterintelligence Studies.

China gleans most of its important information not from spies but from unwitting American visitors to China—from both the U.S. government and the private sector—who are "seriously indiscreet" in disclosing information sought by Beijing, Mr. Moore said in a recent speech.

In the past several years, U.S. nuclear laboratory scientists were fooled into providing Chinese scientists with important weapons information during discussions in China through a process of information elicitation—asking questions and seeking help with physics "problems" that the Chinese are trying to solve, he said.

"The model that China has for its intelligence, in general, is to collect a small amount of information from a large amount of people," Mr. Moore said during a conference of security specialists held by the National Security Institute, a Massachusetts-based consulting firm.

#### IN THE LEARNING PHASE

Mr. Szady acknowledges that the FBI is still "figuring out" the methods used by the Chinese to acquire intelligence and technology from the United States.

Since 1985, there have been only six major intelligence defectors from China's spy services, and information about Chinese activities and methods is limited, U.S. officials said.

Recent Chinese spy cases were mired in controversy.

The case against Katrina Leung, a Los Angeles-based FBI informant who the FBI thinks was a spy for Beijing, ended in the dismissal of charges of taking classified documents from her FBI handler. The Justice Department is appealing the case.

The case against Los Alamos National Laboratory scientist Wen Ho Lee, who was suspected of supplying classified nuclear-weapons data to China, ended with Mr. Lee pleading guilty to only one count among the 59 filed.

The FBI has been unable to find out who in the U.S. government supplied China with secrets on every deployed nuclear weapon in the U.S. arsenal, including the W-88, the small warhead used on U.S. submarine-launched nuclear missiles.

"I think the problem is huge, and it's something that I think we're just getting our arms around," Mr. Szady said of Chinese spying. "It's been there, and what we're doing is more or less discovering it or figuring it out at this point."

Mr. Berezney said recently that Chinese intelligence activities are a major worry. FBI counterintelligence against the Chinese "is our main priority," he said.

In some cases, so-called political correctness can interfere with FBI counterspying. For example, Chinese-American scientists at U.S. weapons laboratories have accused the FBI of racial profiling.

But Mr. Szady said that is not the case.

China uses ethnic Chinese-Americans as a base from which to recruit agents, he said.

"They don't consider anyone to be American-Chinese," Mr. Szady said. "They're all considered overseas Chinese."

So the answer he gives to those who accuse the FBI of racial profiling is: "We're not profiling you. The Chinese are, and they're very good at doing that."

#### PUSHING AN AGENDA

China's government also uses influence operations designed to advance pro-Chinese policies in the United States and to prevent the U.S. government from taking tough action or adopting policies against Beijing's interests, FBI officials said.

Rudy Guerin, a senior FBI counterintelligence official in charge of China affairs, said the Chinese aggressively exploit their connections to U.S. corporations doing business in China.

"They go straight to the companies themselves," he said.

Many U.S. firms doing business in China, including such giants as Coca-Cola, Boeing and General Motors, use their lobbyists on behalf of Beijing.

"We see the Chinese going to these companies to ask them to lobby on their behalf on certain issues," Mr. Guerin said, "whether it's most-favored-nation trade status, [World Health Organization], Falun Gong or other matters."

The Chinese government also appeals directly to members of Congress and congressional staff.

U.S. officials revealed that China's embassy in Washington has expanded a special section in charge of running influence operations, primarily targeting Congress. The operation, which includes 26 political officers, is led by Su Ge, a Chinese government official.

The office frequently sends out e-mail to selected members or staff on Capitol Hill, agitating for or against several issues, often related to Taiwan affairs.

Nu Qingbao, one of Mr. Su's deputies, has sent several e-mails to select members and staff warning Congress not to support Taiwan.

The e-mails have angered Republicans who view the influence operations as communist meddling.

"The Chinese, like every other intelligence agency or any other government, are very much engaged in trying to influence, both covertly and overtly," Mr. Szady said.

#### TAKING TECHNOLOGY

The real danger to the United States is the loss of the high-technology edge, which can

impair U.S. competitiveness but more importantly can boost China's military.

Immigration and Customs Enforcement (ICE), a part of the Department of Homeland Security, is concerned because the number of high-profile cases of illegal Chinese technology acquisition is growing.

"We see a lot of activity involving China, and I think it would be fair to say the trend is toward an increase," said Robert A. Schoch, deputy assistant director in ICE's national security investigations division.

Mr. Schoch said that one recent case of a South Korean businessman who sought to sell advanced night-vision equipment to China highlights the problem.

"We have an awesome responsibility to protect this sensitive technology," he said. "That gives the military such an advantage."

ICE agents are trying hard to stop illegal exports to China and several other states, including Iran and Syria, not just by halting individual exports but by shutting down networks of illegal exporters, Mr. Schoch said.

Another concern is that China is a known arms proliferator, so weapons and related technology that are smuggled there can be sent to other states of concern.

"Yes, some of this stuff may go to China, but then it could be diverted to other countries," Mr. Schoch said. "And that is the secondary proliferation. Who knows where it may end up."

As with China's military buildup, China's drive for advanced technology with military applications has been underestimated by the U.S. intelligence community.

A report prepared for the congressional U.S.-China Economic and Security Review Commission found predictions that China was unable to advance technologically were false.

In fact, the report by former Pentagon official Michael Pillsbury highlights 16 key advances in Chinese technology—all with military implications—in the past six months alone.

The failure to gauge China's development is part of the bias within the U.S. government that calls for playing down the threat from the growing power of China, both militarily and technologically, Mr. Pillsbury stated.

"Predictions a decade ago of slow Chinese [science and technology] progress have now proved to be false," the report stated.

Unlike the United States, China does not distinguish between civilian and military development. The same factories in China that make refrigerators also are used to make long-range ballistic missiles.

At a time when U.S. counterintelligence agencies are facing an array of foreign spies, the Chinese are considered the most effective at stealing secrets and know-how.

"I think the Chinese have figured it out, as far as being able to collect and advance their political, economic and military interests by theft or whatever you want to call it," Mr. Szady said. "They are way ahead of what the Russians have ever done."

HONORING JOHN PITTS, SR.

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 29, 2005

Mr. FORD. Mr. Speaker, I rise today to honor a distinguished leader in the Memphis business community, John Pitts Sr., who has recently been selected as a member of the Tennessee Insurance Hall of Fame. This